HEWLETT-PACKARD COMPANY
Intellectual Property Administration
P.O. Box 272400
Fort Collins, Colorado 80527-2400

Docket No.: 10004991-1
PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Thomas D. Benson

Application No.: 10/004,296 Confirmation No.: 8164

Filed: October 31, 2001 Art Unit: 3627

For: AUTOMATED SYSTEM FOR AND METHOD OF INVENTORY MANAGEMENT CONTROL Examiner: J. A. Fischetti

REPLY BRIEF

MS Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

REPLY TO EXAMINER'S ANSWER UNDER 37 CFR 1.193(B)

This Reply Brief is in response to the Examiner's Answer mailed on March 8, 2007 (hereinafter the "Examiner's Answer") and is in furtherance of the Notice of Appeal dated December 6, 2005. No fee is required for this REPLY BRIEF.

This brief contains items under the following headings pursuant to M.P.E.P. § 1208:

I. Status of Claims
II. Grounds for Rejection to be Reviewed on Appeal
III. Arguments
IV. Conclusion

I. STATUS OF CLAIMS

A. Total Number of Claims in Application

1. There are 9 claims pending in the current application.

B. Current Status of Claims

1. Claims canceled: 1-20

2. Claims withdrawn from consideration, but not canceled: 25-29

3. Claims pending: 21-29

4. Claims allowed: None

5. Claims rejected: 21-24

C. Claims On Appeal

1. The claims on appeal are claims 21-24.

II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 21-24 are properly rejected under 35 U.S.C. § 112(2) as being indefinite for failing to particularly point out and distinctly claim the subject matter which Appellant regards as his invention.

B. Whether claims 21, 22, and 24 are properly rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Statutory Invention Registration H1743 to Graves et al (hereinafter "Graves").

C. Whether claims 21-24 are properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Graves in view of U.S. Patent 6,816,839 to Gung et al. (hereinafter "Gung").

III. ARGUMENTS

A. **Rejection Under 35 U.S.C. § 112(2)**

1. *Independent Claim 21 and Dependent Claims 22-24*

In the Examiner's Answer, the Examiner reiterated his argument that claims 21-24 are indefinite as it is unclear to him how the term "performance" is used. The Examiner states that "Appellant's use of the term 'performance' causes confusion in the minds of the reader in that the term cannot even be found in the specification...." *See* Examiner's Answer pg. 6. The Appellant has repeatedly argued that while "performance" is admittedly broad, such breadth does not equate to indefiniteness. In the Response mailed on July 7, 2005, the Appellant asserts "'performance' covers supply chain participants' usage rate or anything else within the scope of the claim; and... is not limited to any one specific standard or quality." *See* Response, p. 5. Moreover, reference to the specification makes clear that "performance" relates to, for example, "run rate information," including the consumption or rate of consumption of supplied materials by a supply chain participant. *See* Specification at pg. 5. Put simply, Appellant feels that the Examiner has mistaken breadth for indefiniteness. The specification supports the claim as recited.

B. **Rejection Under 35 U.S.C. § 102(b)**

Claims 21, 22, and 24 are rejected under 35 U.S.C. 102(b) as being anticipated by Graves. It is well settled that to anticipate a claim, the reference must teach every element of the claim. Moreover, in order for a prior art reference to be anticipatory under 35 U.S.C. §102 with respect to a claim, "[t]he elements must be arranged as required by the claim." *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990). Furthermore, in order for a prior art reference to be anticipatory under 35 U.S.C. §102, "[t]he identical invention must be shown in as complete detail as is contained in the . . . claim." *Richardson v. Suzuki Motor Co.*, 9 U.S.P.Q.2d 1913 (Fed. Cir. 1989).

1. *Independent Claim 21*

Claim 21 recites "using feedback relating to a performance of at least one supply chain participant." In the Examiner's Answer, the Examiner attempts to satisfy this element by pointing to Graves, at col. 17 lines 28-37. *See* Examiner's Answer, pg. 7. At the Examiner's citation, Graves discloses "a feedback process used to re-calculate projected tank levels." *See* Graves col. 3, lines 32-34. However, this feature does not teach the element of claim 21; instead, this feature of Graves merely monitors the level of a storage tank and compares it to projected levels. Such a comparison provides no information regarding the performance of a supply chain participant. The Examiner further asserts that the one supply chain participant is... the customer and 'performance' is... the functioning of the facility which as a result draws down on the tank supply. *See* Examiner's Answer, pg. 8. Even if the level in the storage tank could be considered a "performance," and the Appellant does not concede that it could, nothing about monitoring the level pertains to the performance of at least one supply chain participant. A comparison of an actual level in a tank to a level that was projected, monitors how the tank is used- rather than how it is supplied. Moreover, the re-calculation of a projected tank level based on flow rate, or the re-scheduling of a delivery in view of such, is not the same as re-determining a quantity using feedback relating to a performance of a supply chain participant. After all, a change in storage tank level may be completely independent of any activity, "performance" or otherwise, of a supply chain participant. For instance, a leak in the tank, evaporation, or temperature-based volumetric changes in the tank or fluid may well result in a change in tank level that is independent of performance of a supply chain participant. Put simply, Graves makes no mention of determining anything based upon performance of a supply chain participant in the chain supplying that tank. Therefore, Appellant respectfully submits that claim 21 is patentable, and asks that the rejection of record be reversed.

Claims 22 and 24 depend from independent claim 21, and thus inherit all elements of claim 21. Each of claims 22 and 24 sets forth features and elements not recited by Graves. As such, Appellant respectfully asserts that for at least the above reasons set forth above with respect to claim 21, claims 22 and 24 are patentable over the 35 U.S.C. § 102 rejection of record.

Moreover, as discussed below, claims 22 and 24 set forth additional elements not taught by Graves.

2. *Dependent Claim 22*

For example, claim 22 recites "wherein said feedback includes results of a comparison between an actual run rate and a corresponding anticipated run rate." The Examiner points to Graves, at col. 17 lines 28-33, to satisfy this element. *See* Examiner's Answer, pg. 8. However, at the Examiner's citation Graves merely discloses "a projected storage tank level is compared to the actual level one every three hours." Appellant respectfully points out that a tank level is not a run rate. Also, there is no mention of a feedback at this citation. As such, Graves fails to teach wherein said feedback includes results of a comparison between an actual run rate and a corresponding anticipated run rate. Therefore, Appellant respectfully request that the rejection of record be reversed.

3. *Dependent Claim 24*

Claim 24 recites "computer readable code processed by said processor and operable to determine said quantity using one or more of a product forecast, a bill of materials, a material lead time, and a desired inventory level." The Examiner points to Graves' processing unit 106 as satisfying this limitation. *See* Examiner's Answer, pg. 9. However, Appellant notes that Graves' processor 106 is not disclosed as processing code to "determine a quantity using one or more of a product forecast, a bill of materials, a material lead time, and a desired inventory level," as set forth in the claim. Instead, at col. 17 lines 30-31, which the Examiner has continuously relied upon to satisfy this limitation, Graves merely discloses "[i]f a difference between the projected level and the actual level exceeds a predetermined threshold value, the projected levels are re-calculated using the last three hour flow rate." Appellant points out that revaluating projected tank levels is not the same as determining a quantity using one or more of a product forecast, a bill of materials, a material lead time, and a desired inventory level. As such, Graves fails to teach this element of claim 24. Therefore, Appellant request that the rejection of record be reversed.

C. Rejection Under 35 U.S.C. § 103(a)

Claims 21-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Graves in view of Gung. To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art cited must teach or suggest all the claim elements. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). Without conceding the second criteria, Appellants assert that the rejection does not satisfy the first and third criteria.

Lack of Motivation

In the Examiner's Answer, the Examiner relies upon "common knowledge" to support the rejection. In support of the rejection, the Examiner opines "based on [Gung's] teaching, common sense/knowledge would dictate that within a supply chain, such as found in Graves, the performance of any participant have some effect on another participant be it supplier or customer..." *See* Examiner's Answer, pg. 10. As Appellant best understands, the Examiner suggests what is/what is not "common knowledge" while offering no evidence as to what would be within the knowledge of one of ordinary skill in the art. According to the Examiner, it would be "common knowledge" to combine the teachings of each reference simply because the Examiner says so. Appellant asserts that, even if the combination of Graves and Gung taught or suggested all aspects of the claimed invention, a *prima facie* case of obviousness would not have been established. That is, it is well established that when a proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984). Although not clearly set forth in the Examiner's Answer, the Examiner has previously suggested that "it would be obvious to modify Graves [according to Gung] to use a performance factor to determine supply forecasting because factors, such as, transportation reliability, and raw material availability would be considered." Final Action, pg. 4. The Appellant respectfully points out that modifying Graves

according to Gung would render Graves unsatisfactory for its intended purpose; therefore, the Examiner's proposed combination does not comport with the requirements of 35 U.S.C. 103.

Gung describes a forecast system that attempts to determine the number of component parts needed for a final product by "forecast[ing] sales volume...by combining methodologies of statistical forecast, categorical data analysis, and information theory. *See* Gung col. 3, lines 7-8; col. 3, lines 22-24. The forecast model of Gung is largely based on abstract, speculative values. In contrast, Graves presents a system wherein the actual, or real time, amount of consumable materials is tracked in at attempt to ensure a sufficient supply of the needed materials. Modifying the real time evaluation system of Graves to have the speculative forecast model of Gung would prohibit Graves from keeping track of consumable materials in real time. Such a modification would limit Graves only to forecast, or speculate, as to how much consumable materials would be needed in the future. Modifying Graves in this way would render it unfit for its intended purpose. Without proper motivation, the Examiner's Answer has failed to establish a prima facie case for rejecting claims 21-24, and as such, Appellant respectfully requests that the rejection be reversed.

Failure to Teach or Suggest Every Claim Element

1. *Independent Claim 21*

As Appellant best understands, the Examiner relies upon Gung to teach or suggest "forecasting demand based upon performance" and/or "creat[ing] a 'basic standard' upon which feedback could be met." *See* Examiner's Answer, pgs. 4 & 6. The Appellant respectfully points out that "forecasting demand based upon performance" or "creating a basic standard" is not recited in claims 21-24. Nevertheless, Appellant endeavors to address the Examiner's rejection. Claims 21 recites "computer readable code processed by said processor, wherein said code is operable to re-determine said required quantity using feedback relating to a performance of at least one supply chain participant." Appellant submits that Gung does not teach or suggest this claim element. Rather, Gung discloses adjusting forecast demand based on "external constraints including price change, inventory status, and competitors performance," *see* Gung col. 3, lines

16-19, which is not the same as "forecasting demand based upon performance." In view of such, the proposed combination fails to teach or suggest all elements of claim 21. Thus, the Examiner has failed, and continues to fail, to establish a prima facie case of obviousness. Therefore, Appellant respectfully requests the rejection of record be reversed.

2. *Dependent Claim 22.*

Claim 22 depends from claim 21, and thus inherits all elements of claim 21. As shown, the Examiner's proposed combination fails to teach or suggest every element of Appellant's invention. Although claim 22 recites elements that makes it patentable in its own right, claim 22 is also patentable at least for depending from a patentable base claim. Therefore, Appellant respectfully requests that the 35 U.S.C. 103(a) rejection of record be reversed.

3. *Dependent Claim 23.*

Claim 23 depends from claim 21, and thus inherits all elements of claim 21. As shown, the Examiner's proposed combination fails to teach or suggest every element of Appellant's invention. Although claim 23 recites elements that makes it patentable in its own right, claim 23 is also patentable at least for depending from a patentable base claim. Therefore, Appellant respectfully requests that the 35 U.S.C. 103(a) rejection of record be reversed.

4. *Dependent Claim 24.*

Claim 24 depends from claim 21, and thus inherits all elements of claim 21. As shown, the Examiner's proposed combination fails to teach or suggest every element of Appellant's invention. Although claim 24 recites elements that makes it patentable in its own right, claim 24 is also patentable at least for depending from a patentable base claim. Therefore, Appellant respectfully requests that the 35 U.S.C. 103(a) rejection of record be reversed.

IV. CONCLUSION

In view of the arguments set forth above, Appellant respectfully requests that the Board overturn the rejections of record.

Dated: May 8, 2007

Respectfully submitted,

By _____

Michael A. Papalas
Reg. No.: 40,381
Fulbright & Jaworski L.L.P.
Telephone No. (214) 855-8186
Fax No. (214) 855-8200

I hereby certify that this paper (along with any paper referred to as being attached or enclosed) is being electronically transmitted to the U.S. Patent & Trademark Office on the date shown below.

Dated: May 8, 2007 Signature: Carol A. Martin
Carol A. Martin